STATEMENT

OF

THE ALLIANCE OF AUTOMOBILE MANUFACTURERS

Hearing on
Reauthorization of the
National Highway Traffic Safety Administration

BEFORE THE:

SUBCOMMITTEE ON
COMMERCE, TRADE AND CONSUMER PROTECTION
OF THE
HOUSE ENERGY AND COMMERCE COMMITTEE

June 23, 2005

Thank you Mr. Chairman. My name is Fred Webber and I am President and CEO of the Alliance of Automobile Manufacturers. I am pleased to be afforded the opportunity to offer the views of the Alliance at this important hearing. The Alliance of Automobile Manufacturers (Alliance) is a trade association of nine car and light truck manufacturers including BMW Group, DaimlerChrysler, Ford Motor Company, General Motors, Mazda, Mitsubishi Motors, Porsche, Toyota and Volkswagen. One out of every 10 jobs in the U.S. is dependent on the automotive industry.

SIGNIFICANT PROGRESS HAS BEEN MADE TO REDUCE FATALITIES AND INJURIES FROM MOTOR VEHICLE CRASHES, BUT CHALLENGES REMAIN

Over the past 20 years, significant progress has been made in reducing the traffic fatality rate. In 1981, the number of fatalities per 100 million vehicle miles traveled stood at 3.17. By 2003, this rate had been driven down by 53 percent to 1.48 fatalities per 100 million vehicle miles traveled. The level of competitiveness among automakers, which key industry observers have described as "brutal," has helped to accelerate the introduction of safety features ahead of regulation, aiding in the progress made.

Safety is an area in which manufacturers compete and seek competitive advantage. Safety "sells" and manufacturers are leveraging their safety performance and equipment in efforts to distinguish their products from competitors. According to the J. D. Power and Associates 2002 U.S. Automotive Emerging Technologies study, nine of the top 10 features most desired by consumers in their next new vehicle are designed to enhance vehicle or occupant

safety and manufacturers are responding to this increased consumer demand for safety across their entire product line.

Despite the progress made, however, data show that 42,643 people lost their lives on U.S. highways in 2003 and almost 2.9 million were injured. Tragically, 56 percent of vehicle occupants killed in crashes were not restrained by safety belts or child safety seats. Alcohol was a factor in 40 percent of all fatalities. This is unacceptable. As a nation, we simply must do better.

The Alliance and our members are constantly striving to enhance motor vehicle safety. And, we continue to make progress. Each new model year brings safety improvements in vehicles of all sizes and types. But, as the Government Accountability Office reaffirmed, vehicle factors contribute less often to crashes and their subsequent injuries than do human or roadway environmental factors.[1] We will never fully realize the potential benefits of vehicle safety technologies until we get vehicle occupants properly restrained and impaired drivers off the road.

INCREASED SAFETY BELT USAGE AND PREVENTING IMPAIRED DRIVING ARE NECESSARY TODAY TO PREVENT NEEDLESS FATALITIES AND INJURIES

The single most effective way to reduce traffic fatalities and serious injuries in the short term is to increase the use of active occupant restraint systems, safety belts and child safety seats. Members of the Alliance have a long and proud record in supporting increased safety belt usage

[1] "Highway Safety – Research Continues on a Variety of Factors That Contribute to Motor Vehicle Crashes." United States Government Accountability Office, GAO-03-436, March 2003.

beginning in the mid 1980's with funding for Traffic Safety Now, a safety belt advocacy group lobbying state governments for the passage of mandatory safety belt use laws, to participation in and funding of the Air Bag & Seat Belt Safety Campaign (Campaign). The Campaign is housed in the National Safety Council and principally funded by the voluntary contributions of motor vehicle manufacturers. The effectiveness of the Campaign is reflected in the increase in belt use from 61 percent, when the Campaign was formed in 1996, to today, with belt use at 80 percent.

This 19 percentage point increase in belt use is largely due to high visibility enforcement Mobilizations coordinated by the Campaign in cooperation with the National Highway Traffic Safety Administration (NHTSA), state highway safety offices and law enforcement agencies in all fifty states. Recently, the largest Mobilization ever was conducted with 12,243 law enforcement agencies providing stepped up enforcement and close to $26 million in paid advertising to augment the enforcement effort. Funding for the enforcement ads, both national and state, comes from funds earmarked by Congress for this purpose. We believe that it is important for Congress to continue to provide this funding.

Primary enforcement safety belt use laws are significantly correlated with higher safety belt usage levels. States with primary enforcement laws have average safety belt usage rates approximately 11 percentage points higher than states having secondary enforcement laws. Currently, only 22 states and the District of Columbia have primary safety belt laws. While the Campaign, through its lobbying efforts, has contributed to primary enforcement legislation being enacted in several states, further progress has been difficult to achieve. The Administration has requested significant funding for incentives to states passing primary enforcement laws. These

incentives are part of the Senate-passed highway bill and the Alliance strongly supports this provision. See Attachment 1. This proposal has merit and should be approved by Congress.

Impaired driving is also a significant highway safety problem. While substantial progress in reducing impaired driving has been made in the last quarter century, more must be done to prevent these needless tragedies. Repeat offenders are disproportionately involved in fatal crashes. The Senate-passed bill contains a provision that updates the Section 164 Repeat Offender program, consistent with current research. It aims to provide more effective treatments to High-BAC drivers (drivers with a blood alcohol concentration (BAC) level of 0.15 or higher, which is almost twice the legal limit of 0.08) and repeat offenders. High-BAC drivers are involved in some 60% of alcohol-related highway fatalities. The Alliance strongly supports this provision and it should be approved by Congress. See Attachment 2

In addition to the priority areas of increasing safety belt use and reducing impaired driving, Congress needs to provide adequate funding for the Section 402 State and Community Highway Safety Program.

ALLIANCE MEMBERS ARE AGGRESSIVELY PURSUING SAFETY ADVANCEMENTS, COLLECTIVELY AND INDIVIDUALLY

Advancing motor vehicle safety remains a significant public health challenge – one that automakers are addressing daily, both individually and collectively. Alliance members make huge investments in safer vehicle design and technology. Manufacturers not only meet, but also

exceed motor vehicle safety standards in every global market in which vehicles are sold. Manufacturers alone, not as a result of any regulatory mandate, implemented many safety features currently available on motor vehicles in the U.S. Those who claim that vehicle safety will not be advanced in the absence of regulatory requirements are living in the past and are not paying attention to today's market place. A partial list of voluntarily installed advanced safety devices without or prior to regulation is attached. See Attachment 3.

The Alliance is pursuing a number of initiatives to enhance safety. We have redoubled and unified our activities to collectively address light truck-to-car collision compatibility. On February 11-12, 2003, the Alliance and the Insurance Institute for Highway Safety (IIHS) sponsored an international meeting on enhancing vehicle-to-vehicle crash compatibility. On February 13, 2003, the Alliance and IIHS sent NHTSA Administrator Dr. Jeffrey Runge a letter summarizing the results of this meeting, and indicating the industry planned to develop recommendations that auto companies could take to enhance crash compatibility.

Ten months later, on December 2, 2003, we delivered to NHTSA a multi-phase plan for enhancing the crash compatibility of passenger cars and light trucks. This plan was developed by an international group of safety experts. At the same time, we also delivered to NHTSA a commitment made on behalf of the world's automakers to begin to design cars and trucks according to the performance criteria specified in the group of experts' plan. This commitment will lead to significant improvements in the protection afforded to occupants in crashes. It is the most comprehensive voluntary safety initiative ever undertaken by automakers.

For the North American market, front-to-side crashes, where the striking vehicle is a light truck or SUV, represent a significant compatibility challenge. We are placing a high priority on enhancing the protection of occupants inside vehicles struck in the side by, among other things, enhancing head protection of occupants in struck vehicles. We expect our efforts to lead to effective counter-measures that auto manufacturers can incorporate in their vehicles. We are working on efforts intended to aid in the development of evaluation criteria that will be established to drive improvements in car side structures to reduce side impact intrusion and provide for additional absorption of crash energy.

With regard to front-to-front crashes, our initial plan focuses on specific recommendations to enhance alignment of front-end energy absorbing structures of vehicles. Manufacturers have been working to improve this architectural feature by modifying truck frames. The voluntary standard will govern structural alignment for the entire light-duty vehicle fleet and provide for an industry wide initiative. In addition, we are developing test procedures that could lead to more comprehensive approaches to measuring and controlling these crash forces. These efforts to develop voluntary standards for crash compatibility, when combined with an industry commitment to design vehicles in accordance with them, is a model for voluntary industry action. These programs have proven to be very effective in bringing significant safety improvements into the fleet faster than has been historically possible through regulation. The voluntary standards process also has the flexibility to produce rapid modifications should the need arise.

The best way to illustrate the benefits for such an approach is to examine the development of the Recommended Procedures for Evaluating Occupant Injury Risk From Deploying Side Airbags finalized in August 2000. In response to concerns about potential injury risk to out-of-position (OOP) women and children from deploying side airbags, the Alliance, the Association of International Automobile Manufacturers (AIAM), the Automotive Occupant Restraints Council (AORC), and IIHS used a joint working group to develop test procedures with injury criteria and limits to ensure that the risk of injury to OOP occupants from deploying side airbags would be very limited.

After an intensive effort, the working group developed a draft set of test procedures. This draft was presented in a public meeting on June 22, 2000. Comments were collected and the finalized procedures were presented to NHTSA on August 8, 2000. Now, in model year 2005, 90 percent of side airbags have been designed in accordance with the August 8, 2000 Recommended Procedures. More importantly, the field performance of side air bags remains positive. These procedures and public commitment were also used by Transport Canada as the basis for a Memorandum of Understanding (MOU) between automobile manufacturers and the Canadian government.

Another Alliance initiative is assessing opportunities, to further reduce the frequency and consequences of rollover. Rollovers represent a significant safety challenge that warrants attention and action. Alliance efforts to reduce the frequency and consequences of rollover involve passenger cars as well as SUVs, vans, and pickup trucks. Our efforts include developing a handling test procedure or recommended practice that will focus on an assessment of the

performance of electronic stability control systems and other advanced handling enhancement devices. A typical rollover is one in which the driver becomes inattentive or distracted, loses control of the vehicle, and then strikes something that trips the vehicle, causing it to roll. Electronic stability control systems are designed to help drivers to keep out of trouble in the first place. However, should a rollover occur, the Alliance is assessing opportunities to enhance rollover occupant protection, to determine the feasibility of developing test procedures to assess the performance of countermeasures designed to further reduce the risk of occupant ejection in rollover crashes, given the large numbers of occupants ejected in such events. Of course the most effective, simplest and least expensive means of reducing ejection is for occupants to wear safety belts. Safety belts are 75-80 percent effective in reducing ejections.

The most effective voluntary improvement in decades is electronic stability control. Electronic stability control (ESC) uses sensors to detect if a driver is about to lose control, and microprocessors automatically apply individual brakes and/or reduce engine power. Today, **51 percent** of 2005 models are available with ESC, up 11 percentage points from 2004, and up 44 percentage points from 2003. According to a NHTSA analysis, ESC showed a reduction in fatal rollover crashes of 63 percent in SUVs and 30 percent in cars. A similar analysis by IIHS also showed significant benefits--a 56 percent reduction in single vehicle fatal crashes and a 41 percent reduction in all single vehicle crashes. Stability controls, developed and installed voluntarily by industry, is highly effective in reducing crashes, especially those related to loss of control and subsequent rollover. See Attachment 4.

Alliance members are also individually pursuing initiatives to enhance motor vehicle safety. One such initiative that has received widespread support is the installation of vehicle-based technologies to encourage safety belt usage. Preliminary research on a system deployed in the United States by one Alliance member found a statistically significant 5 percentage point increase in safety belt use for drivers of vehicles equipped with that system compared with drivers of unequipped vehicles. NHTSA estimates that a single percentage point increase in safety belt use nationwide would result in an estimated 250 lives saved per year. Beginning in model year 2004, all members of the Alliance began deploying various vehicle-based technologies to increase safety belt use. The rollout of these technologies will continue over the next few model years.

COMPREHENSIVE AND CURRENT DATA ARE NECESSARY TO MAKE INSIGHTFUL AND SOUND PUBLIC POLICY DECISIONS

NHTSA's two key traffic crash database programs, the National Automotive Sampling System (NASS) and the Fatality Analysis Reporting System (FARS) provide crucial information to safety planners and vehicle design engineers. The NASS program, in particular, has been chronically under-funded. On October 17, 2002, the Alliance and various other safety groups sent a letter to NHTSA Administrator Dr. Jeffrey Runge outlining the importance of sound crash and injury data. The Alliance emphasized the need for additional funds for NASS in order to evaluate the effectiveness of both behavioral and vehicular safety measures. See Attachment 5.

The Administration has proposed substantial funding to upgrade state traffic records systems. Improved state record systems can help improve the quality of FARS data and assist states in establishing safety program priorities. The Alliance strongly supports upgrading state and federal crash data systems and urges Congress to provide appropriate levels of funding for them. The Alliance believes this funding is critical because NHTSA rulemakings must be data-driven, supported by scientifically sound evidence, and demonstrate the potential for cost-effective safety benefits without undesired side effects. We must ensure that our safety investments, from both government and industry are achieving the largest benefits possible.

The Alliance also sponsors a significant amount of safety research that is shared with the safety community. The Alliance is sponsoring a program to collect real-world crash data on the performance of depowered and advanced air bags at three sites around the U.S. (Dade County, Florida, Dallas County, Texas, and Chilton, Coosa, St. Clair, Talledega, and Shelby Counties in Alabama). This program adds valuable information about air bag performance to the extensive crash data already being collected by NHTSA through NASS. The Alliance is committed to funding this program that will run through this year. The current Alliance commitment for the advanced air bag research is $4.5 million over 4 years. The Alliance project will observe all the NASS data collection protocols so that the Alliance funded cases can be compared with, and evaluated consistently with, other cases in the NASS dataset.

Consistent with the need for more real world data, Alliance members have voluntarily installed Event Data Recorders (EDRs) in their vehicles. EDRs provide improved data to assist safety researchers, auto engineers, government researchers and trauma doctors in their work.

EDRs can improve our collective understanding of crash events and lead to improvements in vehicle safety systems. Recording certain data elements in the moments just prior to and during a crash can contribute to the breadth and reliability of the crash data already gathered by state and federal governments and widely used by public and private entities to study and improve transportation safety. NHTSA and NTSB have noted the important safety benefits of EDRs. See Attachment 6.

During the 2005 state legislative session, 15 states have introduced bills on EDRs. These bills either mandate EDRs be in vehicles, require on/off switches, or control the use of EDRs due to privacy concerns. In 2004, NHTSA proposed a rulemaking for EDRs and a final rule is anticipated by the end of this year. The Alliance believes there is a need for a uniform national policy on EDRs.

HIGHWAY AND MOTOR VEHICLE SAFETY PROVISIONS IN THE SENATE BILL

In addition to adequate funding for NASS, the Alliance believes it important for NHTSA to have the resources necessary to conduct a comprehensive study of crash causation similar to the multi year "Indiana Tri-Level Study" that was completed 25 years ago. Researchers at Indiana University Bloomington's Institute for Research in Public Safety conducted the Tri-Level Study of the Causes of Traffic Accidents from 1972 through 1977. According to NHTSA officials, the Indiana Tri-Level Study has been the only study in the last 30 years to collect in-depth, on-scene crash causation data. NHTSA relies on it today because other NHTSA data is collected from police crash reports or collected days or weeks after the crash, making it difficult

to obtain causation data. Significant advancements in vehicle safety technology and design have occurred since then, making this study obsolete as a basis for regulatory decisions.

Therefore, the Alliance strongly supported the National Highway Traffic Safety Administration's FY 2006 budget request for $10 million, so that NHTSA can effectively update their crash causation data. An updated study would help guide and enlighten public policy aimed at reducing the frequency of traffic crashes, injuries, and fatalities. This is a crucial step toward improving the quality of data available to inform sound regulatory decision-making at NHTSA.

The Alliance supports the nontraffic incident data collection provisions in the Senate bill (Section 7255). Currently, there is little real world data on the magnitude, contributing causes, and circumstances of off-road events such as back over accidents or children being left unattended in vehicles. If safety resources are to be able to get "the most bang for the buck" then we first need to understand the problems to ensure that any technological solutions are both effective and an efficient use of limited resources.

The provision in the Senate bill (Section 7257) on Automobile Information Disclosure requires vehicle window labels include information about safety ratings assigned and formally published or released by NHTSA as part of the New Car Assessment Program (NCAP). The Alliance supports meaningful consumer information and will work through the rulemaking process to encourage a satisfactory outcome.

THE NHTSA MANDATED RULEMAKINGS IN THE SENATE PASSED HIGHWAY BILL PREJUDGE THE RULEMAKING PROCESS

The NHTSA reauthorization provisions in the Senate passed bill would mandate a number of major motor vehicle safety rulemakings. Some of these rulemakings are already in process at NHTSA and consistent with their current safety priorities. As a matter of policy, however, while, we support and participate in the rulemaking process, however, as a matter of policy, we believe that any final rule, if appropriate, should be based on sound data, public comment, an examination of alternatives, consideration of economic consequences and provide appropriate lead-time. By requiring that rules must be published, regardless of the public rulemaking record on that subject, the Senate bill's approach prejudges the outcome of the rulemaking process and deprives NHTSA it's authority to make safety related assessments and determinations of rulemaking priorities. Thus, we cannot support any mandate requiring that final rules must be issued, regardless of information provided to the agency through its public notice and comment process. There is no need for the Congress to order NHTSA to both short-circuit its own governing legislation regarding the criteria for establishing rules as well as the requirements in the Administrative Procedures Act regarding responding to public comments.

The complexity of safety rulemakings requires that careful attention be accorded to the inherent tradeoffs associated with regulations. In the past, we have seen tradeoffs among adult high-speed protection in frontal crashes and associated harm to children and others in low-speed crashes. The March 6, 2004 IIHS Status Report, notes that the 1997 rule issued by NHTSA that allowed manufacturers to produce "depowered" air bags was the right decision then and still is

now. In designing occupant restraint systems, manufacturers must carefully balance high-speed and lower-speed protection, protection for belted vs. unbelted occupants, and protection for large adults and smaller adults and children. All involve safety tradeoffs.

Another tradeoff acknowledged by the National Academy of Sciences, and others, have pointed out the significant increase in highway casualties that resulted from the downsizing and downweighting of vehicles in the late 1970s and early 1980s as a result of the need to rapidly increase fuel economy. Further, the rulemakings in the Senate bill require NHTSA to make additional tradeoffs for example, (1) whether stronger roofs might result in a higher rate of rollover because of added structure to the top of the vehicle, thereby raising its center of gravity and increasing rollover risk and (2) whether window treatments to reduce ejections for unbelted occupants could lead to increased head and neck injuries to belted occupants. These safety tradeoffs are not hypothetical situations or reasons not to act. Instead, they are real complex issues that need to be addressed by experts. The "expert" agency established by the Congress to address these issues—NHTSA—should make regulatory decisions based on a sound public record, and not based on arbitrary deadlines.

THE POTENTIAL BENEFITS OF VEHICLE SAFETY TECHNOLOGIES CAN NOT BE FULLY REALIZED UNTIL VEHICLE OCCUPANTS ARE PROPERLY RESTRAINED AND IMPAIRED DRIVERS ARE OFF THE ROAD

Motor vehicle safety is a shared responsibility among government, consumers and vehicle manufacturers. Auto manufacturers are more committed than ever to developing

advanced safety technologies to reduce fatalities and injuries resulting from motor vehicle crashes. But as a nation, we will never fully realize the potential benefits of vehicle safety technologies until we get vehicle occupants properly restrained and impaired drivers off the road.

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